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SIPDIS

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STATE PLEASE PASS TO AIT/W, USEPA AND USTR

USEPA FOR OIA/THOMPSON

E.O. 12958: N/A

TAGS: AORC SENV PREL TW
SUBJECT: Environmental Sustainability Index - Taiwan
Shortchanged

11. (SBU) Summary. In January 2005, Yale, Columbia and the World Economic Forum published a joint study that ranked Taiwan as the world's second worst economy in terms of environmental stewardship. The low ranking troubles policy makers in Taiwan because of significant environmental progress in the last decade. One of the principal organizers of the report met with Taiwan's Environmental Protection Agency (TEPA) on April 20. During that meeting several flaws in the input data used for Taiwan became apparent. Taiwan policy makers are likely correct to believe that Taiwan's ranking is unjustly low. One reason for the low ranking may be that, due to Taiwan's unique political status and lack of access to international organizations, the study had limited access to reliable data for Taiwan. End Summary.

## Background

12. (U) Taiwan recently ranked 145 out of 146 "nations" in the "Environmental Sustainability Index (ESI)" published by Yale's Center for Environmental Law and Policy, the Center for International Earth Science Information Network (CIESIN) at Columbia University, and the World Economic Forum. According to the ESI Executive Summary, ESI

"benchmarks the ability of nations to protect the environment over the next several decades. It does so by integrating 76 data sets tracking natural resource endowments, past and present pollution levels, environmental management efforts, and the capacity of a society to improve its environmental performance - into 21 indicators of environmental sustainability."

ESI then compares each "nation" and rank orders them. Taiwan was ranked only second to North Korea in terms of worst performances.

## Ranking Counterintuitive

- 13. (SBU) As soon as the report came out, environmental policy makers and academics in Taiwan expressed surprise and disbelief. The report defies common sense for anyone who is familiar with some of the notable improvements in Taiwan's environment over the past decade. Looking at Taipei's efforts with respect to solid waste alone explains why Taiwan's environmental leaders find it hard to believe that Taiwan's "ability to protect the environment" was ranked at the bottom of the ESI. In the early 1990s, Taiwan's largest city Taipei was notorious for the trash heaps common to most street corners. Now, as a result of environmental stewardship spelled out below, Taipei's streets are notably litter free.
- 14. (SBU) In 1992 Taipei instituted a regular recycling program. Then in 1995, Taipei implemented daily trash collection service, effectively eliminating garbage piles from Taipei's streets. In 2000, Taipei implemented a program to charge consumers for the costs of trash disposal by charging for mandatory government garbage bags instead of incorporating the fee into their water bills. This has led to a 47.2 percent reduction in the annual amount of solid waste generated in Taipei. In 2003, recycling in Taipei became mandatory for many products and each year new measures enhance the amount and range of materials that must be recycled. Beginning in 2005, even kitchen food waste is required to be separated and recycled.
- 15. (SBU) Taiwan also boasts some of the world's strictest air emission regulations (and fines) and has similarly demonstrated significant progress in reducing air pollution over the past decade. For example, the proportion of days that Taiwan had a composite Pollutant Standards Index (PSI)

level above the "unhealthful" level of 100 fell to 2.61 percent in 2003 from 6.98 percent in 1994. (The PSI is an indicator that measures air pollution levels of five major pollutants - ozone, carbon monoxide, sulfur dioxide, nitrogen dioxide, and particulates). To provide perspective, using a similar air pollution composite index called the "Air Quality Index" (which in addition to the five pollutants in the PSI also measures lead levels), in 2003, 17.5 percent of the days in Washington, DC were above the unhealthful level of 100.

- 16. (SBU) Though Taiwan has made progress in reducing its air pollution and solid waste generation in recent years, Taiwan still has plenty of room for improvement in its environmental stewardship. For instance Taiwan has been notably less effective in addressing water pollution than air and waste pollution. In fact, currently less than 10 percent of Taiwan's wastewater is treated as compared to an average wastewater treatment level of approximately 59 percent in OECD (Organization for Economic Cooperation and Development) countries. Taiwan also faces some other major environmental challenges. In addition to being highly industrialized, Taiwan has one of the highest urban population densities and vehicle per capita densities in the world. As a result, while Taiwan has had some success in reducing industrial air pollution, motor vehicle air pollution has increased.
- 17. (SBU) Comment. While it might have been equally surprising to find Taiwan at the top of the ESI ranking, given Taiwan's notable progress over the past decade in reducing air pollution and solid waste, Taiwan's rock bottom ESI ranking is simply counterintuitive. End Comment.

Taiwan's Special "Status" May Explain Low Ranking

- 18. (U) Marc Levy, one of the principle collaborators of the ESI study (the Associate Director for Science Applications at Columbia's Center for International Earth Science Information Network) met with Taiwan's Environmental Protection Agency (TEPA) on April 20 to discuss Taiwan's ranking.
- 19. (SBU) Mr. Levy noted that the "strong" preference of the investigators on the project was not to use data from governments, but instead to rely on data from international organizations. Levy recognized that, in Taiwan's case, collecting data was extremely difficult because Taiwan is not a member of most of the international organizations from which the ESI project collects its data. Levy noted that Taiwan has been "systematically excluded from the data collection systems upon which the ESI relies" and that the ESI receives the largest proportion of Taiwan's data through "alternative" routes. In fact, where for most economies, 2-5 percent of the data came from the national government, in Taiwan's case over 40 percent of the data came from Taiwan government sources. Levy stated that, as a result, much of the input data used for Taiwan have not gone through the same "comparability tests" as the data used for other economies.

Questionable Data

- 110. (SBU) During Levy's meeting with TEPA officials, several flaws in the data used for Taiwan were illuminated. Most notably, one of 21 indicators used for all of the "nations" compared in the study was supposed not to have been applied to Taiwan. That indicator called, "participation in international collaborative efforts" ranks the "nations" on how well they cooperate with international organizations. According to Levy, the researchers were supposed to exclude this indicator from Taiwan's ranking because of Taiwan's unique political situation. Upon a closer look, a clear mistake on the part of the ESI project was revealed. Instead of putting a blank for Taiwan on this indicator as intended (thereby nullifying the impact on its ranking), Taiwan was given a numeric zero, the lowest possible ranking for that category.
- 111. (SBU) Further questions about the veracity of the input data used for Taiwan were raised during the meeting between TEPA and Levy. One TEPA official while flipping through the report noticed that Taiwan scored extremely low on the indicator called "reducing waste and consumption pressures." TEPA looked at the input data used for Taiwan for that indicator and found that the figure the ESI used was 100 times greater than the one published by TEPA. In fact, the figure ESI used suggests that Taiwan with a population of approximately 23 million generates the same amount of waste as the United States with a population of approximately 296 million.
- 12. (SBU) During the meeting between Levy and TEPA, AIT's

ESTOFF also noted that Taiwan appeared to have scored particularly low with respect to the indicators on "land" and "biodiversity." While this makes intuitive sense with respect to the 29 percent of Taiwan's mostly flat and highly populated land in the northern and western coasts of Taiwan, it would not appear to account for the close to 70 percent of Taiwan's land that is highly mountainous, forested and sparsely populated. Upon a closer look at the data used to calculate Taiwan's grade for "land", Levy revealed that the report qualified only .1 percent of Taiwan as "wilderness."

113. (SBU) Levy was most concerned about the outright mistake in putting down a "zero" instead of a blank for the indicator regarding cooperation with international organizations for Taiwan. With respect to the other apparent incongruencies discussed, he conceded that the figures should be further researched. Levy, however, made clear that the report would not be repealed and that the best Taiwan could hope for was that a correction notice be sent out or posted on the Project's website. Levy's main goal was to improve the data collection for Taiwan in anticipation of the next ESI report in about two years. To that end, it was agreed that TEPA would send a representative to meet with the ESI collaborators at Yale and Columbia Universities and review in more detail the input data used for Taiwan. TEPA also invited the ESI collaborators to come to Taiwan to work with TEPA towards improving the project's data collection methods for Taiwan.

## Conclusion

114. (SBU) Based on the meeting between Levy and TEPA, it appears that the data used for Taiwan was flawed and that Taiwan's dismally low grade and ranking are unwarranted. As Levy noted, the poor quality data is largely a result of Taiwan not being a member of the international organizations upon which the bulk of the data used is collected. This is also the first year in which Taiwan has been included in the index. Taiwan was not a part of the ESI pilot studies conducted in 2001 and 2002. As a result, the scope of the difficulties in data collection for Taiwan may not have been realized until now. This is a clear case where Taiwan has been disadvantaged by its inability to participate in international organizations. However, ESI is apparently quite willing to work with Taiwan to improve data collection for the future. More reliable data collection methods should enable Taiwan to repair its likely undeserved exceptionally poor rating for environmental stewardship.

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